



Local Government
and Public Service
Reform Initiative

Open
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Institute



**INDICATORS
OF LOCAL
DEMOCRATIC
GOVERNANCE
PROJECT**

BY
GÁBOR SOÓS

TOCQUEVILLE
RESEARCH CENTER

**CONCEPTS
AND
HYPOTHESES**

LGI Documents

THE INDICATORS OF LOCAL DEMOCRATIC
GOVERNANCE PROJECT

CONCEPTS AND HYPOTHESES

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Local Government
and Public Service
Reform Initiative

Local Government and Public Service Reform Initiative (LGI), as one of the programs of the Open Society Institute (OSI), is an international development and grant-giving organization dedicated to the support of good governance in the countries of Central Eastern Europe (CEE) and Newly Independent States (NIS). LGI seeks to fulfill its mission through the initiation of research and support of development and operational activities in the fields of decentralization, public policy formation and the reform of public administration.

With projects running in countries covering the region between the Czech Republic and Mongolia, LGI seeks to achieve its objectives through:

- Development of sustainable regional networks of institutions and professionals engaged in policy analysis, reform-oriented training and advocacy;
- Support and dissemination of in-depth comparative and regionally applicable policy studies tackling local government issues;
- Support of country specific projects and delivery of technical assistance to implementation agencies;
- Assistance to local Soros foundations with the development of local government, public administration and/or public policy programs in their respective countries;
- Publishing of books, studies and discussion papers dealing with the issues of decentralization, public administration, good governance, public policy and lessons learnt from the process of transition in these areas;
- Development of curricula and organization of training programs dealing with specific local government issues;
- Support of policy centers and think-tanks in the region.

Apart from its own projects, LGI works closely with a number of other international organizations (Council of Europe, Department of International Development, USAID, UNDP and World Bank) and co-funds larger regional initiatives aimed at the support of reforms on the subnational level. Local Government Information Network (LOGIN) and Fiscal Decentralization Initiatives (FDI) are two main examples of this cooperation.

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INTRODUCTION

The goal of the *Indicators of Local Democratic Governance* project is to offer comprehensive, longitudinal and cross-nationally comparable information on local democratic governance for different research and development activities in Central and Eastern Europe. The indicators of the project cover a wide range of political activity of local governments and their contacts with local citizens and civic organizations.

Consequently, the key indicators should be made available for three groups of potential users:

- individual countries (central governments, legislators, etc.) will regularly obtain data on the state of local governments and local democracy;
- the Local Government and Public Service Reform Initiative (LGI) and other professional and donor organizations will gain comprehensive knowledge on CEE countries, including needs and progress in the development of local governance;
- regularly measured indicators will serve comparative academic and applied research.

The *Indicators of Democratic Local Governance* project has been initiated within the framework of the Fiscal Decentralization Initiative (FDI). FDI is a consortium of major international organizations established with a mission to assist transition economies implementing intergovernmental reform. The project entitled *Indicators for Decentralization in CEE and fSU* is one of the major endeavors of FDI that aims to establish a uniform framework for comparative local government analysis. The main goal of the project is to develop a set of operational, flexible, and adaptable indicators based on internationally recognized definitions and to publish reports measuring the process of decentralization in the target countries. The project has two arms: the *Fiscal Design Across Levels of Government* project, managed by the OECD and the *Indicators of Democratic Local Governance* project, managed by LGI.

To design the conceptual framework of *Indicators of Democratic Local Governance* and carry out pilot research, LGI established a partnership with Tocqueville Research Center (T-RC), Budapest.

This paper contributes to the project in two equally important ways. The first objective of this paper is the development of a conceptual framework and the selection of the indicators to be used in the project. Part I builds this framework by focusing on the political performance of local governments and their poten-

tial determinants. Part II reorders the variables conceptualized in Part I and uses them as indicators of country reports on the state of local democracy and local government in the region.

The main activity in the implementation of the project is the collection of data from various sources. Data collection is a highly costly process. To make the most of expensive surveys, it is important to utilize data in more than one way. This paper proposes three schemes as potential subprojects in the Indicators of Local Democratic Governance project.

- The Local Government Performance (LGP) subproject intends to measure the political performance of local governments and explain it by a number of contextual factors such as the strength of civil society, the political culture of representatives, the size of the municipality and so on. The studies made in the subproject strive for deeper analysis than country reports and target a somewhat different audience.

- The Local Democracy Reports (LDR) subproject aims to provide annual systematic data and report on local governments and other local political actors. The report's task is to provide donors, decision-makers and researchers with a well-structured description of the current state of local governance in the region.

- The objective of the Data Management and Dissemination (DMD) subproject is to generate research on the basis of data collected in the framework of the project. The project produces a huge database with timely, cross-country data. In exchange for studies made available to donors and participants in the project, experts with various backgrounds can obtain data from the database. The subproject maintains an easily manageable database, advertizes its potential uses, distributes the permissions of access and places the products on the project's website.

This paper focuses only on the LDR and LGP subprojects.

PART I

THE LOCAL GOVERNMENT PERFORMANCE SUBPROJECT

After the fall of communism, Soviet-type councils were replaced by local governments everywhere in Central and Eastern Europe. The designers of the new constitutions expected local governments to be both more effective and more responsive than the Communist local administration had been. In some cases, the dream came true, in other cases it did not. There are municipalities where local government performance is systematically better and some where it is poorer. Why do similar institutions perform systematically better here than there? Recognizing the enormous practical implications of this question for the new democracies in East Central Europe, the Indicators of Local Democratic Governance project aims to help decision-makers and researchers assess and explain local government performance. Thus, the project is organized around the concept of local government performance and uses a wide variety of variables to gauge its variance on the one hand, and its roots in economic, political, legal, cultural and social factors on the other. This part of the paper proposes a conceptualization of local government performance and its potential determinants. Since the approach is conceptual, references to methodology in the text are rather illustrative.

1. The Concept of Local Government Performance

1.1. The Idea of the Local Government Performance Profiles

The variable to be explained in the research is the political performance of local governments. There is no single, widely accepted definition of government performance in the social sciences. Consensus on the measurement of local government performance, in particular, is conspicuously absent in the literature. Performance has been identified with several concepts and their combinations. Effectiveness, efficiency, productivity, economy, appropriateness and accessibility of services, smoothness of the decision-making process, service quality, client satisfaction or satisfaction of the strategic constituency, responsiveness, and respect for political freedoms have all been used in defining performance.

Picking out one concept or even a combination of concepts from this list would certainly be criticised for arbitrary conceptualization. The problem of definition by fiat can be overcome by recognizing that the political performance of local governments is a multidimensional concept. More than one definition of performance can be formulated and each definition can be defended on solid grounds. These perspectives have equal rights to aspire to the measurement of local government performance.

Consequently, the most fruitful solution seems to keep the different approaches separate and measure local government performance by conceptually distinct systems. Presenting all of the performance results offers a more comprehensive picture than providing a single abstract number. The higher validity of such a profile stems from the heterogeneity of its components. Since the measurement systems evaluate performance from different perspectives, their mean value can cover different combinations of performances, i.e. distinct types of local governments. The same score can disguise distinct profiles. At the end of the day, the measurement components of the profiles can be collapsed into a performance "superindex", most likely constructed by principal component analysis. This might be useful for some research. Still, this is not necessarily the case and the profiles have higher validity.

Local government profiles can feature not only overviews of local government performance but also descriptions of the state of the local government system at the country level. For this, the types of local government performance profiles should be distinguished and aggregated into a country profile. These country

profiles can then serve as very intuitive instruments with which to compare countries. Such aggregated profiles can also be constructed at the regional level and with certain types of municipalities (e.g. cities).

In addition to these insightful descriptions, local government profiles and the local government types isolated by means of the profiles can be dependent variables even in quantitative studies. The components of local government performance profiles can also serve as dependent or independent variables in research designs. For example, the satisfaction rate of local citizens can be the dependent variable, explained by several independent variables (e.g. municipality size or wealth) or other types of performance (e.g. the effectiveness or transparency of local governments). Our research questions address both the profile and its components as dependent variables.

1.2. Profile Components: Local Government Performance Measurements

What are the components of the local government profiles? How can one distinguish the measurement systems that are relevant to local government activities? Performance definitions ultimately depend on which role of the local government the researcher chooses to emphasize. To reach a set of definitions covering local government performance, one should consider the expectations local governments are designed to fulfill. Four duties seem to be relevant. All of them imply a basis against which performance can be assessed.

- (1) Local governments are expected to set community goals and formulate policies. As decision-makers, the basis of evaluation is the congruence between policy requirements (e.g. budgeting) and actual policy-making (e.g. budget promptness).
- (2) Local governments are expected to effectively implement their decisions. As administrative units, the basis of comparison is the consistency between what local governments decide (policy objectives) and what they can carry out (outputs).
- (3) Local governments are expected to work for their communities. As responsive organizations, their policy-making is compared to articulated societal demands.
- (4) Local governments are expected to be democratic. As democratic organizations, their activities are assessed on the basis of the realization of certain basic values.

The following table lists these four performance types and their basis of measurement.

	<i>Performance name</i>	<i>Role</i>	<i>Basis of measurement</i>	<i>Definition</i>
Process	Policy	Policy-maker	Policy requirements	The capability to address policy requirements by making informed and coordinated decisions.
	Democracy	Democratic institution	Democratic values	The capability to operate in an open and transparent way and treat citizens in a fair and just manner.
Output	Responsiveness	Representative of local needs	Popular demands	The capability to respond to local people's demands and satisfy citizens.
	Effectiveness	Policy-implementation	Policy objectives	The capability to implement decisions and reach self-declared policy objectives.

Research Question 1

The most general research question of the project is as follows. *What explains the variance in performance profiles of local governments?* What makes for local governments with a high capacity to manage their tasks well?

The four performances can be grouped according to the means/ends dimension. The first two measurement systems concentrate on the policy process, evaluating it from administrative and democratic viewpoints. The second two performance measurements focus on the output of local government activity, assessing it from the perspectives of public administration and local demands.

Grouping the four components of a local government performance profile in another way, policy coordination and policy implementation belong to the administrative side of local government activities. On the other hand, the respect of basic democratic values and responsiveness to popular demands portray the local government's contacts with its citizenry.

The next sections elaborate on the four performance concepts.

1. 2. 1. Policy-Making Performance: Informed and Coordinated Decisions

Research Question 2

Policy-making performance can be a dependent variable, especially interesting for political scientists. The question that is raised: *What explains the variance in the policy-making capabilities of local governments?* What makes for local governments with high capabilities for decision-making?

Local governments are *policy-makers*. Thus, the first type of performance concept implies a decision-making process. As politico-administrative units, local governments are required to address policy requirements such as budgeting, regulations for dog-keeping or the formulation of an economic strategy. Frequently, past decisions made by the local government itself also necessitate new decisions (e.g. the continuation of a multi-year project).

How well do local governments formulate their decisions? Are they capable of making informed, innovative and consistent decisions in good time? Local governments must reconcile competing viewpoints and make policies within strict time limits. The coordination element of the performance profile refers to the capability to make decisions on the basis of a comprehensive knowledge of relevant constraints and opportunities (especially local interests) and of the probable impact of the decision. This type of performance also implies the capability to bring together the opinions of various agencies whose competence is relevant in the given policy area. *Performance is defined from this perspective as the capability of the local government to make informed and coordinated decisions, given the temporal constraints placed on it.* The measurement of such a performance is a comparison between the policy requirements and the actually taken policy decisions. The main measure is the assessment of delays in policy-making. Frequent delays indicate a great amount of dissent among decision-makers, weakly prepared motions or inadequate cooperation within the local government.

Performance 1: Policy-making

Variable name	Policy performance
Definition	Policy performance refers to the capability of the local government to make informed and coordinated decisions given the temporal constraints on it.
Measures	Delays in making key decisions, e.g. budget promptness Proportion of agenda items that are postponed Frequency of no quorum Information-gathering mechanisms
Data source	Local government survey (or local government documents directly)

1. 2. 2. Democratic Performance: Openness and Fairness

Local governments are not simply decision-makers but also *democratic* decision-makers. Thus, local governments must meet certain standards of democracy. This measurement of democratic performance focuses on the degree of the incorporation of democratic norms in the operation of the local government.

Political science has a long tradition of measuring democratic performance. The problem of "good government" has been one of the most important items on the research agenda of the discipline. In empirical democracy studies, comparisons have been drawn, sometimes on a large scale, among countries by means of performance indicators, such as political corruption, personal freedom, government fairness etc. Most of these criteria do not apply to local governments. Freedom rights or the fairness of elections, for example, depend on the state and cannot be secured by local governments.

Research Question 3

Taking democratic performance as the dependent variable, the research questions is as follows: *What explains the variance in the democratic performance of local governments?* Which factors account for a more democratic local government?

Nonetheless, there is a common point in measurements of democratic performance in political science. All concentrate on the contacts between local government and local citizens. An analysis of local governments' scope of activities from the viewpoint of citizen-local government contact highlights two measurement criteria. Both are familiar in the democratic tradition of political theory.

The first one is *openness*. Is the local government open and transparent by readily providing information about its activities? Does the local government allow and further local people's involvement in decision-making? A democratic local government must offer local citizens the opportunity to understand its operation and participate in making decisions on local public issues. People might not accept this offer for whatever reason (e.g., because of a non-participatory political culture). This does not influence the level of performance: local government activities are measured here, not their outcomes.

The other important democratic duty that a local government can and must discharge is *fairness*. Local governments as democratic institutions are required to treat each citizen equally and according to the rules. Fair and just treatment is a fully legitimate expectation if the institution is declared democratic.

From the viewpoint of democratic decision-making, in sum, *performance is the capability of the local government to operate in an open and fair manner*. Measurement is subjectively based on survey questions about the sense of political efficacy, open discussions on public issues, the level of information on local government, the role of good connections and corruption in local government offices. The "objective" measures concentrate on the transparency and openness of policy-making.

Performance 2: Democratic capabilities

Variable name	Democratic performance
Definition	Democratic performance refers to the capability of the local government to operate in an open and fair manner.
Measures	The transparency of the budget (the specification of some significant items, e.g. the costs of a teaching program; ordinal scale) The existence and transparency of the rules of public purchases. The existence and sophistication of rules regulating public access to local government documents The number and comprehensiveness of local government meetings, hearings and forums and the method of their announcement The existence and power of citizens' consultative committees that are organized or recognized by the local government Number of copies of free bulletins issued by the local government per 1000 inhabitants Citizens' answers to survey questions about the importance of good connections and bribery in local government offices Citizens' answers to survey questions about discrimination (e.g. ethnic) Citizens' answers to survey questions about the fair-mindedness and helpfulness of local government bureaucrats (All of them are on an ordinal scale)
Data source	Local government survey and citizen survey

1. 2. 3. Policy Implementation: Effectiveness

Research Question 4

Policy implementation capability as a dependent variable implies the following research question: *What explains the variance in the effectiveness of local governments? What makes for effective local governments?*

What is decided must be implemented. Local governments as administrative units are expected to manage organizational and financial resources in order to provide public services, carry out developmental programs and enforce regulatory rules. The questions are as follows: How well do local governments transform

their decisions into action? Are they capable of reaching their self-declared objectives? Implementation performance is defined as *the capability of the local government to meet its self-declared policy objectives*. The basis of comparison is the decision of the local government. Effectiveness as a performance measure is the ratio of decided policy objectives to those which are actually realized.

Performance 3: Effectiveness

Variable name	Policy performance
Variable	Effectiveness
Definition	Effectiveness refers to the capability of the local government to meet its self-declared policy objectives.
Measurement	An index composed of several measures
Measures	Frequency of the modification of regulations Spending capacity of state development grants
Data source	Local government survey and citizen survey

1. 2. 4. Responsive Performance: Satisfaction and Goal Congruence

Local governments must produce outputs. However, local governments must produce the correct balance of outputs, i.e. outputs that reflect real needs. Local governments are political representatives of their respective constituencies. Their duty is to keep a close eye on their citizens' wants and needs. The perspective of the local governments' strategic constituency cannot be overlooked in a performance profile.

Research Question 5

If one analyzes responsiveness as a dependent variable, the research question is this: *What explains the variance in the political responsiveness of local governments?* What makes for responsive local governments? What are the factors that satisfy local citizens?

Performance in this sense refers to the ability of the local government to address local people's demands. (In a technical sense, responsiveness is used as a measure of technical efficiency in service provision, e.g. the time needed to replace a defective streetlight. If it satisfies real demands, such efficiency may be a sign of political responsiveness, but it cannot be measured by this.) On the level of policy-making, political responsiveness implies congruence between local government policy objectives and citizens' demands and the match between service delivery and client needs. The level of satisfaction with the objectives and implementation of services and programs of local government demonstrates this kind of responsiveness.

Why is responsiveness regarded as a performance type different from democratic performance? It might be argued that democratic theories treat responsiveness as a distinctive feature of democratic institutions. And these theories are right: democratic institutions should be responsive to the demands of their constituencies. Thus, all democratic institutions are responsive. The argument is not true the other way around, however. Not all responsive institutions are democratic. Non-democratic governments also wish to survive and attempt to address their subjects' wants and needs. From time to time, communist governments raised the standard of living of (even disliked) societal groups, contrary to their long-term ideological goals, to avoid crisis and increase their survival potential. Regimes led by enlightened rulers explicitly declare their intention to respond to societal needs – without consulting people regarded as ignorant. Eighteenth-century Austria and Singapore today serve as prime examples. The distinction between responsiveness and democratic performance has implications for concrete measures as well. For example, public opinion polls organized by local governments are certainly indicators of responsiveness. Still, polls are signs of openness only if their questions are unbiased and the results are publicly discussed. Otherwise, they are only power-maintaining techniques. After all, polls were quite frequent in Jaruzelski's Poland.

Political responsiveness is the relationship between what local government does and what local citizens think it should do. This relationship can be measured by satisfaction rates with the allocation of resources among and the quality of services and programs provided by the local government.

Performance 4: Responsiveness

Variable name	Responsiveness
Definition	Responsiveness refers to the capability of the local government to address local citizenry's demands.
Measures	Survey questions on the congruence of goals Survey questions on the satisfaction with services
Data source	Citizen survey

1. 2. 5. The Level of Service Provision as a Performance Measurement

The endproduct of local government activities, i.e. the services, programs and regulations provided locally, can be the basis of measurement directly. For the sake of comparison, the level of service provision measured directly should be standardized. The number of street lamps per kilometer or the number of family doctors per 1000 inhabitants are good examples for this type of performance measurement. The level of service provisions is the measure of the quantity, quality, accessibility and efficiency of public services delivered or regulated by the local government.

The obvious problem is that the measured performance highly depends on other factors than the local government's activity. A municipality with a wealthy population, a large taxbase and political support is more likely to have good services than a poor municipality with poor inhabitants and no political support. The difference the local government actually makes cannot exactly be measured because the precise subtraction of the impact of other factors to obtain local government performance as the residual is not possible. This is the reason why the level of service provision is not included in the local government performance profile.

Research Question 6

The level of service provision as a dependent variable implies the following research question: *What explains the variance in the level of services among local governments? What makes for good local government services?*

Still, the level of services can be a very interesting dependent variable. A really important question is why some local governments can attract more investment, build more roads and maintain better social services than others. If the politico-administrative performance of the local government is measured and used as an independent variable, one can assess to what degree local governments are responsible for their situation (especially economic growth) and what role can be attributed to other variables such as geographic position, residents' level of education or the party composition of the local representative body.

By means of official statistics, the level of service provision can be indicated in a relatively easy way. To maintain comparability, it is important to focus on tasks that must be fulfilled by all local governments, independent of size and country. These are the management of primary schools, the local economy and public utilities.

Performance 5: Service provision

Variable name	Service provision
Definition	Service provision is the local government's capability to supply the services for which it is partly or fully responsible.
Measures	Population change due to migration Economic growth Dwellings supplied with public water pipe Dwellings supplied with public sewerage Proportion of roads with solid surface Family doctors per 1000 inhabitants Pupils per teacher in primary school Borrowed library units per inhabitant
Data source	Official statistics

2. Explanatory Variables

What is the effect of institutional arrangements, local political culture, civil society, local media, the size of the municipality etc. on local government performance? This is the most general question this research addresses. To assess the impact of different factors, a selection of potential explanatory variables is necessary. The following long list is the result of an overview of the social science literature.

The list proceeds from the internal variables characterizing the institutional features of local governments to the wider social, economic and cultural environment. Each variable is defined, its hypothesized effect on local government performance presented, and the potential measures mentioned. These independent variables are often theorized to influence each other, creating explanatory paths with numerous variables. Each variable is evaluated in five ways:

- the definition of the variable;
- the expected direct effects of the variable on the local government performance profile;
- the expected effects of the variable on other independent variables that intervene or interact;
- the variables that are expected to influence the given variable;
- reference to the possible operationalization and data source.

2.1. Characteristics of Local Governments and the Local Government System

The institutional features of the local governments themselves have an apparent effect on local government performance. The voter/representative ratio, internal distribution of power, the size and competence of the administrative staff, the amount of money that can be allocated or the fragmentation and composition of the representative body are all expected to influence the political quality of local governments.

2.1.1. *The Characteristics of the Local Government System*

The legal and constitutional arrangements that regulate the local government system may have an effect on local government performance. First of all, the **level of devolution** should be mentioned. The degree of devolution of central

powers to local governments might influence their performance. The wider the local autonomy is, the more room for maneuver the local government has. This increases the possibility of extracting more local resources, form more complex strategies and find innovative solutions in *policy-making*. On the other hand, wider autonomy may exceed the municipality's administrative and political competence and organizational capacity. Its potential may simply not be enough to live up to the expectations of the designers of a country's constitution. Future empirical research should determine the degree and direction of the devolution's effect on local government effectiveness.

The degree of legal devolution may have another effect. Wider autonomy may make the local government system more *legitimate*. Citizens simply take local governments more seriously and regard them as important institutions that influence their everyday lives. In this case, people are more willing to *participate* in local activities. Such political participation certainly influences local government performance. The degree of legal autonomy is measured by the devolution of some key powers.

Variable name	Level of devolution
Definition	The level of devolution is the degree to which the state transfers duties and authorities to local governments.
Expected direct effects on performances	Policy-making and implementation
Expected effects on intervening variables	Political participation
The variable influenced by	
Measures	The number of devolved powers (checklist)
Data source	Legal documents

Devolution of certain powers does not mean that the state renounces the right to supervise the implementation of constitutional and other legal rules. Local autonomy is bounded by the external control of other administrative, legislative and judicial institutions. This is called **horizontal accountability**. This concept means that local government officials have to be ready to justify their decisions and be answerable to administrative, legislative or judicial authorities.

Horizontal accountability exerts an influence on *effectiveness*. Accountability as a control mechanism presses decision-makers to formulate feasible and effectively implementable policies, reduce the diversion of public resources towards particular interests, and improve service quality by imposing minimum standards.

If the state represents democratic principles, horizontal accountability enhances *democracy* in local government. It improves transparency because other administrative units also require clear statements and detailed (especially budgetary) data. Effective legal remedies for discrimination and the violation of rules also increase the degree of democracy in local governments. On the other hand, exaggerated horizontal accountability leads to a stronger dependence on external institutions. This has a negative consequence in terms of *responsiveness*.

Variable name	Horizontal accountability
Definition	Horizontal accountability refers to the responsibility of the local government to explain its actions to judicial, administrative or legislative authorities.
Direct effects on performances	Effectiveness, democracy
Indirect effects by intervening variables	Dependence on the state
The variable influenced by	
Measurement	A list should be created with potential accountability types. Each element should be given a weight (score). The more points the local government collects, the higher is its level of horizontal accountability.
Data source	Legal documents and local government survey

Voter/leader ratio refers to the accessibility of local representatives for their voters. If the gap between them is not wide, representatives have a better chance of recognizing local needs and the exact weight of interest-groups. This promotes *policy congruence* between citizens and representatives, which, in turn, enhances the quality of policy-making and implementation of the local government. From the viewpoint of voters, accessible leaders can more easily be pressured and the chances for accountability, a means of social control, are much greater. Local leaders, who can easily be approached and controlled, tend to be more *responsive*. The ratio of representatives to the represented is influenced by the *size of the municipality*, but the electoral system remains an obvious modifier.

Variable name	The voter-leader ratio
Definition	The voter-leader ratio is the number of local citizens with voting rights per the number of elected local government representatives.
Expected direct effects on performances	Responsiveness
Expected effects on intervening variables	Policy congruence between leaders and voters
The variable influenced by	Municipality size
Measures	Number of voters / number of representatives (including the mayor)
Data source	Election data and local government survey

2.1.2. Budget

Most local politicians believe that money makes the difference in local government performance. They claim that the amount of **local government income** determines the opportunities to manage the municipality well. A larger budget lubricates the cooperation among stakeholders by providing room to maneuver and increases the likelihood of compromise. This leads to better *policy performance*. More income allows for the hiring of a larger *administrative staff* with more competent specialists. This is conducive to the effectiveness of the local government. Even *responsiveness* may be better if the local government has more money because more popular demands can be met.

Variable name	Local government income
Definition	Local government income refers to the total income of the local government per inhabitant.
Expected direct effects on performances	Policy-formulation, implementation, responsiveness
Expected effects on intervening variables	Size of the administrative staff
The variable influenced by	Socioeconomic development
Measures	The total yearly income of the local government per inhabitant
Data source	Local government survey

Nevertheless, not only is the amount of resources local governments have important, but their source is also significant. **Financial dependence on state resources** decreases local autonomy, even if there is, at the end of the day, a generous flow of resources. This may undermine local government *responsiveness* - for instance, local projects can be designed with an eye toward other expectations than those of local residents. Such a local government may be good at policy-making and implementation, but these policies respond to external demands. The financial dependence of the given local government is measured by local tax income vs. state funds in budget.

Variable name	Financial dependence on the state
Definition	Financial dependence on the state refers to the reliance of the local government on state funds.
Expected direct effects on performances	Responsiveness
Expected effects on intervening variables	
The variable influenced by	
Measures	The share of state grants in the income of the local government
Data source	Local government survey

2.1.3. Distribution of Formal Authority and the Administrative Staff

The distributions of authority among local government agents may have an impact on local government performance. The **centralization of power** in the hands of the mayor or committees may improve *policy-making* and *implementation* performance by decreasing the number of players and veto points, but it may lead to more favoritism and less *responsiveness*. The distribution of power is measured by important jurisdictions in the hands of main local government agents (e.g. mayors, chief executives, committees, officials).

Variable name	Centralization of power within the local government
Definition	The level of local government centralization refers to the degree to which the authorities of the local government are concentrated in the hands of on of the institutional actors.
Expected direct effects on performances	Policy-making, effectiveness, responsiveness
Expected effects on intervening variables	
The variable influenced by	
Measures	The distribution of power among the representative body, committees and boards, mayor, and chief executive
Data source	Local government survey

A crucial factor of *effective* policy-implementation is the relationship between elected politicians and administrative staff. The well-established **horizontal accountability mechanisms** within the local government promote the realization of policy decisions. Even very well-designed policies with plentiful resources will not be translated into real outputs unless those who execute political decisions are responsible to those who are elected to represent local citizens. The internal horizontal accountability mechanisms ensure the effective and responsive performance of the local government.

Variable name	Internal horizontal accountability mechanisms
Definition	The concept of internal horizontal accountability mechanisms refers to the legal and administrative means by which the elected officials monitor and control the activities of the administrative staff.
Expected direct effects on performances	Effectiveness, responsiveness
Expected effects on intervening variables	
The variable influenced by	
Measures	The number of deployed accountability mechanisms (checklist)
Data source	Local government survey

The **size of the administrative staff** is an important feature of local government. Both the bureaucratic modes of decision-making and the issues of complexity are well-indicated by the size of the local bureaucracy. More bureaucracy may mean greater *effectiveness* (better specialization), but lower *responsiveness* (i.e. a greater distance between citizens and local government administration). A larger bureaucracy contains more specialized and professional members. A greater competence, i.e. better knowledge, expertise, skills and experiences, furthers the informed assessment of the impact of planned decisions as well as their effective policy-implementation.

On the other hand, the larger the administrative staff, the more bureaucratic the administration. This decreases the local government's capacity to respond to ever emerging demands. Concerning the size of the administrative staff, effectiveness and responsiveness are in an inverse relationship.

The administrative staff of local governments includes those offices preparing and implementing policies and has an official authority. The concept does not cover the bureaucracy of the firms owned by the local government, or organizations and institutions (like schools) that lack administrative governmental authority.

Variable name	Size of the administrative staff
Definition	The size of the administrative staff is the number of employees in the local government administration.
Expected direct effects on performances	Policy-making, effectiveness, responsiveness
Expected effects on intervening variables	
The variable influenced by	Municipality size, the income of the local government
Measures	Staff number
Data source	Local government survey

2.1.4. Characteristics of the Representative Body

The representative body is invariably the main policy-making unit within Central and Eastern European local governments. Thus, the party composition and the weight of factions and coalitions are important from the viewpoint of local government performance.

Party composition refers to the relative weight of the parties having elected positions in the local government. The political color of the representatives may

have an impact on local government performance, since political parties have different priorities, recruitment patterns, and past experience. The presence of certain parties (e.g. extreme parties or post-communist parties) might also affect the political performance of the local government. The relatively easy access to election data encourages the testing of such hypotheses.

Democratic performance may be influenced by the ideas of political parties. Certain parties are closer to the ideals of democracy than others. Therefore, the presence of certain parties might produce *leaders with more democratic values*, encouraging closer and more fair contacts between the local government and its constituency. The political color of local governments in relation to parliament might produce a creative tension between the two levels of government, while at other times it might block public decisions.

Parties organized on the country level might have non-local considerations when making decisions on local issues. The difference in the strategic constituency to which local politicians feel responsible results in a decrease in *responsiveness* to local citizens. The dependence on external forces increases if the central government distributes development grants according to the political color of local governments (i.e. whether the local ruling parties belong to the majority or the opposition in the national parliament).

Variable name	Party composition of the local government
Definition	Party composition refers to the relative weight of the parties having elected positions in the local government.
Expected direct effects on performances	Civiness and democracy of representatives
Expected effects on intervening variables	
The variable influenced by	
Measures	The % of representatives belonging to parties that support the central government in the parliament The % of representatives belonging to formal communist parties The % of representatives of extreme-right parties The % of representatives of extreme-left parties The % of representatives of ethnic/religious minority parties
Data source	Official election data and local government survey

The continuity and change in the composition of a local representative body may also influence local government performance, although in an unclear way. Neither the maximum, nor the zero rotation will serve the representation of the changing composition and interest of the local community, even though no optimum can be determined either a priori or on the basis of national averages and the like. High rotation may increase the innovative capacity of the local government body but decrease the competence stemming from political experience. High continuity may produce more competent leaders, but may lead to cronyism at worst, and a benevolent oligarchy at best. It is the task of future empirical analysis to explore the relationship between political continuity and change, and the quality of governance on the local level. The proportion of new members in an elected body (in an election year) is the measure of change in the composition of a local representative body.

Variable name	Rotation in the composition of local representative body
Definition	The degree of rotation in the composition of the local representative body.
Expected direct effects on performances	Responsiveness
Expected effects on intervening variables	Political competence of local representatives
The variable influenced by	
Measures	The proportion of new members of the elected body (last election year)
Data source	Official election data

The weight of factions and coalitions, i.e. the level of association among representatives may have an important impact on local government performance. The **fragmentation of the representative body** is the degree to which the local representatives form disciplined political groupings in the elected bodies. The more factions and independent representatives can be found in the representative body, the more fragmented that body is. Large and organized blocks in the representative body facilitate cooperation because of the smaller number of players. Coordinating a few demands is easier than coordinating many demands. Thus, low fragmentation (few parties and party discipline) results in better decisional efficacy (*policy performance*) than high fragmentation (many factions and/or weak party discipline).

However, the smaller number of parties in the representative body cannot represent as wide a range of interests as a more fragmented elected assembly. Policy-making capacity and *responsiveness* may move in opposite directions. The fragmentation of the representative body is measured by the number of factions and the level of discipline within these factions and the ruling coalition (if there is a coalition). The organizational capacity of local political organizations had an effect on the level of fragmentation within the representative body.

Variable name	The fragmentation of the representative body
Definition	The fragmentation of elected bodies is the degree to which the local representatives form disciplined political groupings in the elected bodies. The more factions and independent representatives can be found in the representative body, the more fragmented it is.
Expected direct effects on performances	Policy-making, responsiveness
Expected effects on intervening variables	
The variable influenced by	The organizational capacity of local political organizations
Measures	The membership of factions The voting discipline of factions
Data source	Election data and local government surveys

2.2. Local Institutions

The institutions of local public life may affect performance. Civil organizations, local media and political parties are often said to influence the policy capacity, effectiveness, responsiveness and democracy of local governments. This section deals with local political organizations, civil society organizations, and local media.

2.2.1. Local Political Parties

The term "local political group" refers to all political forces that have some organization in the locality and have attempted to win elected local government positions. Consequently, this definition also comprises those civil organizations that

take part in local elections, and especially those that have seats in the local government elected body. The organizational capacity of a local political organization implies its potential to act effectively on the political field. This includes personnel capacity (paid staff), technical capacity (office, fax, telephones, copy machines etc.) and social mobilization capacity (members, supporters).

Well-organized political parties may have a positive impact on local government performance by holding local government representatives accountable for their actions. Party members and supporters can compel the representatives of their party to justify their deeds regularly and in detail. This form of vertical accountability bolsters local government *responsiveness*.

Parties and other political organizations are intentionally designed to collect, articulate and aggregate societal demands to representative institutions. Strong political organizations are more likely to do this job than organizations with limited membership and infrastructure. This also holds for the information-flow between local government and its environment, which political parties may help or hinder. This promotes *responsiveness, policy-making and implementation*.

Well-organized local parties (and proto-parties) tend to have more professional politicians, more experienced specialists and better knowledge about important issues. This positively contributes to the *competence* level of the representative body. This is conducive to a high quality *policy-making* process.

Variable name	Organizational capacity of local political groups
Definition	Local political group refers to all political forces that have some organization in the locality and have tried to win elected local government positions. The organizational capacity of a local political organization implies its potential to act effectively on the political field.
Expected direct effects on performances	Policy-making, implementation, responsiveness
Expected effects on intervening variables	Political competence of representatives
The variable influenced by	Socioeconomic development
Measures	The possession of certain facilities by the political organization (office, office machines) The number of paid staff of the political organization The self-reported membership of the political organization The self-reported number of activists who contributed to the campaign during the last local and parliamentary elections
Data source	Local government survey and the local representatives survey

2.2.2. Civil Society

Theorizing about civil society has a long and venerable tradition from Aristotle's *Politike Koinonia* to Hegel's *Bürgerliche Gesellschaft*. As a consequence, there are many conceptualizations of civil society. This project uses a common and easily operationalizable definition. Civil society here refers to the realm of voluntary, self-initiated, and self-organized intermediary groups that are independent of the family, the market and the state. It is operationalized as the domain of non-governmental, legally accepted organizations. Thus, **the strength of civil society** is measured by the number of NGOs in the municipality. This is double-checked by the self-reported civic participation in the citizen survey.

Civic groups are to give shape to various efforts and initiatives of citizens that address different public issues. Local NGOs and civic associations, organized around single or complex issues, address locally relevant policy issues, express specific opinions and interests between two elections, and many times provide services for the local communities. NGOs are crucial actors in the local policy-making process in several ways. An overview of the literature suggests seven ways in which civil society may affect local government performance.

The first approach deals with civil society as a social force *holding elected officials accountable*. Civil society is presented in this perspective as a societal sphere that is capable of exploiting its independence and resisting the state. Making (local) government actions public, civic organizations hold public officials accountable. In an extreme case, the tyrannical actions of rulers are potentially impeded by an opposing civil society. All of this facilitates *responsiveness*.

A second positive impact of civil society organizations on local government performance is the furthering of *information-flow*. Civil organizations provide information on many aspects of the state of the municipality from the opportunities of project funding to the technical difficulties in implementing policy decisions. A good information-flow helps *policy-making* as well as *implementation*.

Thirdly, civil society provides channels to *articulate and aggregate societal interests*. Political parties and other explicit political organizations have the same function, but it turns out in democratic practice that civil associations are indispensable in the expression of a wide range of interests that cannot be channeled by parties. This stabilizes social and political expectations. The literature of corporatism focuses particularly on the mediating institutions through which certain civil organizations take part in the officially recognized aggregation of societal interests. Well-articulated interests make *policy-making* easier and improves *responsiveness*.

The fourth hypothesized effect of civil society is the stimulation of *political participation*. People taking part in civic activities gain a feeling of political efficacy, i.e. an attitude that one can influence political life. Social participation leads, as the argument claims, to political participation. Where people are engaged in civic

associations, interest in elections, electoral campaigns, street demonstrations, and single-issue movements is higher. High-level political participation, then, results in better-performing governments.

The fifth contribution of civil society to government performance is the inculcation of *civiness*. Tolerance, moderation, trust, accommodation of difference are the building blocks of democratic political life. These norms and attitudes help to peacefully resolve conflicts.

A sixth, indirect, contribution of civil society to political performance is the promotion of the *sense of community*. Civil society is a channel not only of interests, but also of sentiments and identities. People participating in civic activities are less likely to feel alienated from the system because they tend to be more integrated through self-expression in civic groups. Identification with the community can lead in a democracy to a more legitimate status of the political system.

A seventh way in which civil society indirectly influences the level of government performance is the *training of new leaders* who have roots in certain social spheres. Those who learn how to manage a civic organization are much more prepared to run political organizations. In addition to the increased *competence*, these persons also tend to have more *democratic values* and a greater *social capital* in the sense of Bourdieu's theory. Leaders coming from civil society bring many connections with them, which is highly important in political recruitment.

Variable name	Strength of local civil society
Definition	Local civil society refers to the realm of voluntary, self-initiated, and self-organized intermediary groups that are independent of the family, the market and the state. The strength of local civil society refers to the number and total membership of non-governmental, legally accepted organizations that are active in the municipality.
Expected direct effects on performances	Policy-making, implementation, responsiveness, democracy
Expected effects on intervening variables	Political participation, civiness, the sense of community; representatives' competence, democracy, and social capital
The variable influenced by	Municipality size
Measures	The number of civil society organizations active in the municipality per 1000 inhabitants The proportion of inhabitants active in civil society organizations The total time spent on activities in local civil organizations per inhabitant
Data source	Official statistics and citizen survey

After enumerating seven potentially positive effects found in the optimistic literature, one must admit that civil society may also have a negative influence on government performance. The same organizational capacity can be used to siphon off public resources and undermine local government performance. To assess the actual impact, other characteristics of civil society should be taken into consideration. One of them, cleavages, will be discussed later.

The **size distribution of local civil society** influences the actual role it plays. Where a big and well-organized NGO dominates the field, one cannot expect to find equivalent success among all organizations. The biggest organization will in all probability put forward its claims as the voice of the local society and distort the allocation of public resources. The aforementioned positive effects will not materialize at best or will hinder local government performance at worst.

Variable name	Size distribution of local civil society
Definition	The size distribution of local civil society refers to the relative shares of local organizations in the civil sector. The more unbalanced the size distribution, the higher value of the variable.
Expected direct effects on performances	Policy-making, implementation, responsiveness, democracy
Expected effects on intervening variables	Inclusiveness of local civil society, political participation, civicism, the sense of community; representatives' competence, democracy, and social capital
The variable influenced by	
Measures	The number of local civil organizations that have more than 30% of the total membership in local civil organizations
Data source	Official statistics and citizen survey

Another important feature of local civic organizations is their **inclusiveness**. The same ties that promote the interests of the civil organization allow for the exclusion of outsiders from a certain sphere of local life. Such an organization does not produce civic values, weakens the sense of community, hinders interest-formation and the flow of correct information. What is expected to be positive in the case of inclusive organizations turns into negative in the case of organizations based on exclusion.

Variable name	Inclusiveness of local civil society
Definition	The inclusiveness of local civil society refers to the members' values toward outsiders.
Expected direct effects on performances	Policy-making, implementation, responsiveness, democracy
Expected effects on intervening variables	Political participation, civicism, the sense of community; representatives' competence, democracy, and social capital
The variable influenced by	Size distribution
Measures	Civicism of the respondents with NGO membership
Data source	Citizen survey

Finally, a direct effect of civil society is executed by civil organizations purposefully designed to improve local government performance. Human rights groups or tax reform movements provide information and opinions independent of governmental information and opinions. Local development groups or the associations that provide public services also have more direct influence on local governments. Although all civil society activities may produce civic values and skilled leaders, political actions especially make the contributions formulated in the seven points above. One should consider **the political activity of local civil organizations** as a separate variable.

Variable name	The political activity of local civil organizations
Definition	This concept includes the activity of local civil organizations to monitor local government, lobby for policies and participate in policy implementation.
Expected direct effects on performances	Policy-making, implementation, responsiveness, democracy
Expected effects on intervening variables	Political participation, civicism, the sense of community; representatives' competence, democracy, and social capital
The variable influenced by	Municipality size
Measures	The number of formal policy proposals of local civil organizations Local representatives' reports on the lobbying of civil organizations The political activities of citizens with NGO membership in their organizations
Data source	Local government survey, local officials survey and citizen survey

2.2.3. Local Media

Local media is one of the key facilitators of lively communication between citizens and governments, and other actors of local policy making. Local media refers to electronic or printed products that are regularly published and have coverage on local issues.

Obviously, the regularity and coverage of local information and the total audience are very important characteristics of media. The variable called the **size of local media** includes these features as an index. The total coverage and audience have an obvious impact on the information-flow between local governments and their constituencies. Discussing local problems and providing forums for the public claims of various societal groups and organizations, the size of the local media is likely to correlate positively with horizontal interest-formation. Both clear interests and information increase *policy performance* and *responsiveness*. Through the articulation and aggregation of interests, local media may also motivate people in the same position and with similar ideas to organize themselves in *civic organizations*. As an effective means of social control, the media effectively and regularly press decision-makers to publicly explain and justify their acts. Local media actors are consequently hypothesized to enhance vertical accountability between local politicians and their voters by monitoring, interpreting and evaluating political utterances, decisions and events. This promotes the realization of *democratic norms* and *responsiveness* in local government.

Variable name	Size of local media
Definition	The concept of local media size refers to the audience reached by local media and their total coverage on local political issues.
Expected direct effects on performances	Policy-making, responsiveness, democracy
Expected effects on intervening variables	Political participation, the size of civil society, policy congruence
The variable influenced by	Municipality size
Measures	Audience of pressed media, self-reported by citizens Audience of TV and radio channels, self-reported by citizens The total hours of local programs in electronic media per month The total number of pages covering local issues in printed media
Data source	Local government survey and citizen survey

Thus, local media has a vertical as well as a horizontal impact. However, this effect depends on the internal structure of the public sphere. The openness and fairness of local media in providing information for all major actors and issues, decisions, implementations and conflicts are also indispensable for well functioning governance. The **diversity of local media** refers to the opportunity of local citizens to use alternative information sources. Knowing the size of local media is not enough to assess its influence. Media monopolized by specific interest groups tends to provide more biased and less reliable information. The existence or lack of independent media sources interacts with the size of the local media. The potentially beneficial effects of local media described above are realized only if there is no monopoly in the public sphere. For example, a balanced and diversified media market is obviously more effective in holding local politicians accountable for their actions than the one that is dominated by a single medium with its political connections and beliefs. The same interactions apply to the relationships between information flow, the formation of interests and local civil society.

Variable name	Diversity of local media
Definition	The diversity of local media refers to the number of locally available information sources that have regular coverage on local issues and are independent of each other.
Expected direct effects on performances	Policy-making, responsiveness, democracy
Expected effects on intervening variables	Political participation, the size of civil society, policy congruence
The variable influenced by	Municipality size
Measures	The number of locally available information sources that have regular coverage on local issues and are independent of each other
Data source	Local government survey, local officials survey and citizen survey

2.3. Local Political Culture

2.3.1. Citizen Participation in Local Politics

Participation is the way in which people attempt to assert their claims on public issues. The concept covers not only voting but engagement in electoral campaigns, petitions, political meetings, demonstrations, etc.

The participation of citizens in local elections is a crucial condition for democratic governance. Participation expresses opinion on the achievements of incumbent leaders as well as general trust in local governments. The variable of **political participation** includes the following activities:

- *Turnout at local elections* is the most easily quantifiable and most common measure of citizen participation.
- *Electoral campaigns* also offer an opportunity for political participation. This may be especially lasting if the participants continue to be active after the elections.
- Citizens may give voice to their concerns or interests by forming action groups or initiating specific issue-related actions, besides or outside the activity of classical NGOs. These actions certainly demonstrate the willingness of the local community to express its opinion on local issues. Quantifiable measures might be the number of action groups, or citizens' actions during a particular period.
- Citizens may express their opinions and interests, especially in periods between two elections, by making *formal inquiries* to councillors and committees (e.g. written inquiries that put some recommendations on the table or ask for information related to some local policy issues).
- Local governments often organize forums to learn about citizens' opinions on local issues. Parties also hold meetings to influence local public opinion or propagate their candidates. *Participation in political events* organized by local government and local political forces is measured by citizen survey questions.

All of these forms of participation contribute to the information-flow and the articulation of local interests and demonstrates the level of support for these interests. Thus, the degree of participation in such political events may have a positive correlation with policy-making and implementation. Moreover, political participation enhances vertical accountability, which improves the *responsiveness* of the local government. If the character of the demands of participating citizens

and groups are democratic, political participation also contributes to the *democratic performance* of the local government. This directs attention to citizens' political values.

Variable name	Citizen participation in local politics
Definition	Political participation is the way in which people try to assert their claims on public issues.
Effects on performances	Policy-making, effectiveness, responsiveness, democracy
Effects on intervening variables	
The variable influenced by	Size of civil society, participatory political values
Measures	Local election turnout Number of participants in electoral campaigns Number of significant non-institutionalized, grass-root actions Formal inquires to councillors by individual citizens Number of participants in political events
Data source	Citizen survey, election data

2.3.2. Citizens' Political Culture

An informed and interested citizenry is more likely to press local government towards a more *responsive* and *democratic* operation by making it more accountable. Political competence and the interest in politics are together called **political sophistication**. Uninterested, parochial citizens do not reveal their preferences and do nothing to influence public decisions. Thus, a certain level of political interest is necessary to make democracy work. The degree to which local leaders and the activities of local governments are known for the average citizens is also important. Knowledge does not necessarily induce participation in elections and decision making processes, but it is the preliminary condition for any participation. Hence, citizens' interest and competence in politics may exert an effect on local government performance through *participation*. Citizens' competence and interest in local politics have a mutual relationship with political *participation* in local political activities. According to modernization theory, political sophistication is influenced by the socio-economic development of the municipality.

Variable name	Citizens' political sophistication
Definition	Citizens' political sophistication refers to the political skills and knowledge local citizens have and the attention they pay to local political events.
Expected direct effects on performances	
Expected effects on intervening variables	Political participation
The variable influenced by	Socioeconomic development of the municipality
Measures	Attitude questions
Data source	Citizen survey

Many concepts are incorporated under the heading "**civiness**". The term includes or implies the accommodation of difference, i.e., tolerance for those who defend different interests and values; pragmatism, i.e., thinking and acting in a flexible way; a willingness to bargain and reach a compromise; political restraint as opposed to extremism; openness to new ideas; respect for equality; and, last but not least, a sense of trust in other political actors. The interrelationships among these concepts is likely to be both complex and strong; this is the reason why they are collected under a collective term. Interpersonal civiness facilitates cooperation among citizens. This is the basis of social participation (*civil society*) as well political participation. The relationship is mutual, however. Social and political participation further general civiness in the local community. According to some democratic theories, civiness spills over to the level of the political élite. Modernization theory claims that the level of socio-economic development influences tolerance, pragmatism and such values. Civiness is measured by survey questions.

Variable name	Citizens' civiness
Definition	Civiness refers to political values and norms such as the accommodation of different, tolerance, willingness to compromise, and trust.
Expected direct effects on performances	Democracy
Expected effects on intervening variables	Civiness of the representatives, the size of civil society, political participation
The variable influenced by	The sense of community, the size of civil society, political participation, socio-economic development
Measures	Attitude questions
Data source	Citizen survey

Legitimacy is defined here as the degree to which the institutions of a political system are seen by citizens as morally justifiable. The opponents of democracy and/or the local government system are less likely to comply with local government decisions and collaborate in implementing them. Legitimacy is enhanced by good previous performance on the part of the local government system, the level of devolution, and the distance from the older democracies of the West. A belief in the legitimacy of the democratic system implies democratic values.

Variable name	Legitimacy of the political system
Definition	Legitimacy is the degree to which the institutions of a political system are seen by citizens as morally justifiable.
Expected direct effects on performances	Policy-implementation
Expected effects on intervening variables	Political participation, democratic values
The variable influenced by	Previous performance of the local government system, the level of devolution, the distance from the older democracies of the West
Measures	Attitude questions
Data source	Citizen survey

Legitimacy of the political system does not necessarily result in **trust in actual leaders** of local government. Distrust in local politicians makes local government *decision-making and implementation* less effective by hampering information flow, demand-making, and collaboration with local government. The level of vertical trust is influenced by the previous performance of the local government, the physical accessibility and social capital of representatives.

Variable name	Trust in actual leaders
Definition	Trust in actual leaders is citizens' belief that local elected leaders do the right things.
Expected direct effects on performances	Policy-making and implementation
Expected effects on intervening variables	Political participation, democratic values
The variable influenced by	Previous performance of the local government, the voter-representative ratio and the social capital of representatives
Measures	Attitude questions
Data source	Citizen survey

The **sense of belonging** is the feeling of solidarity among the residents of a settlement. The concept includes a common local identity. Such a common identity may improve moderation and, consequently, cooperation among local political actors. Binding ties among local people enhances policy effectiveness because people are more willing to collaborate with *their* local government and comply its rules. The feeling of common identity promotes fairness towards ordinary citizens. The sense of community is measured by attitude questions in the citizen survey.

Variable name	The sense of belonging
Definition	The sense of belonging refers to the common local identity that emotionally binds local people to their community.
Expected direct effects on performances	Effectiveness, democracy
Expected effects on intervening variables	Civiness, the size of civil society, political participation
The variable influenced by	The size of civil society, political participation
Measures	Attitude questions
Data source	Citizen survey

2.3.3. *Representatives' political culture*

Good political cooperation among local politicians is crucial for the *effectiveness* of decision-making. Deep political cleavages among elite factions, distrust among individual politicians and a general atmosphere of hostility hampers policy-making to a considerable degree. **Civiness among local representatives** greatly facilitates cooperation within local government. The concept of civiness comprises the representatives' values and norms concerning their interpersonal and intergroup relationships. These values are the accommodation of difference, tolerance, willingness to compromise, and trust. Collective action is lubricated by intra-élite trust and tolerance. Trusting political actors that are ready to compromise are less constrained to monitor each other, save much energy for cooperation and reduce decisional transaction costs. Civiness is measured by survey questions in the elite questionnaire. It is influenced by the civiness of the general public and the sense of community among people in the municipality and the size of the civil society sector.

Variable name	Civiness of representatives
Definition	Civiness of the representatives refers to the elected officials' political values such as the accommodation of different, tolerance, willingness to compromise, and trust.
Expected direct effects on performances	Policy and democratic performance
Expected effects on intervening variables	
The variable influenced by	General civiness, the sense of community, the size of the civil society sector, party composition of the representative body
Measures	Attitude questions
Data source	Local representatives survey

Another dimension of elite political culture that is important from the viewpoint of the research project is representatives' **democratic values and norms**. While civiness refers to the horizontal relationships among the elected, democratic norms and values refer to the vertical relationship between voters and their representatives. Democratic values and norms mean the representatives' belief in the importance of citizens' participation in local politics even between two elections (as opposed to an elitist or technocratic vision) and a great emphasis on fairness and justice. In all probability, civic leaders are more likely to treat citizens in a *democratic* manner. These values are conducive to *responsiveness* as well. The measurement is based on the survey among local government representatives. The democracy of élite values is expected to be influenced by the size and character of *civil society* and the *local media*, the potentially democratic actors of the local society.

Variable name	Democratic values and norms
Definition	Democratic values and norms refers to the representatives' belief in the importance of citizens' participation in local politics even between two elections and a great emphasis on fairness and justice.
Expected direct effects on performances	Responsiveness, democracy
Expected effects on intervening variables	
The variable influenced by	Citizens' democratic political culture, the size of civil society and local media, party composition of the representative body
Measures	Attitude questions
Data source	Local representatives survey

A very important feature of any kind of representation is the extent to which the policy preferences of representatives are congruent with the preferences of the represented. **Policy congruence** means a consonance between voters and their leaders' policy preferences. It illustrates the degree to which local representatives are able to recognize their constituency's demands and/or convince local citizens of the soundness of their judgments. The precondition of good *responsiveness* is a congruence between leaders and voters' preferences. Policy congruence is influenced by the level of political participation in the municipality. It is measured by a comparison between citizens and representatives' responses to questions about the most important problems of the municipality and their expenditure preferences concerning some policy areas.

Variable name	Preference congruence
Definition	The concept of preference congruence refers to the consonance between voters and their leaders' policy preferences.
Expected direct effects on performances	Responsiveness
Expected effects on intervening variables	
The variable influenced by	Political participation, representatives' social capital, the voter/leader ratio, size of the municipality
Measures	The most important problems of the municipality Expenditure preferences concerning some policy areas.
Data source	Local representatives and citizen surveys

The more the local representatives are rooted in the local society, the more likely it is that they know their constituency's needs and can involve local people in the programs of the local government. The better information-flow and the greater chance of vertical cooperation promote both the *policy-making* and *implementation* of the local government. In addition, the representatives' deeper embeddedness may further the local government's responsiveness. Both the better recognition of local interests and the stronger vertical accountability stemming from the shorter *distance* of local leaders tend to generate enhanced responsiveness. The concept of **social capital** is used in the narrower sense here. It refers to the embeddedness of local representatives in formal and informal networks and organizations (NGOs) in local society. The measures are the number of representatives' social connections and formal memberships. A larger *civil sector* may influence the social capital of representatives in a positive direction.

Variable name	Social capital of representatives
Definition	The social capital of representatives refers to the embeddedness of local representatives in formal and informal networks and organizations in the local society.
Expected direct effects on performances	Responsiveness, democracy
Expected effects on intervening variables	Policy congruence between leaders and voters
The variable influenced by	Size of civil society
Measures	The number and frequency of representatives' informal social connections Representatives' formal memberships
Data source	Local representatives survey

Better leaders produce better policies. The **competence of local representatives** is crucial in the policy-making process. Skilled, experienced leaders with a broad general knowledge about the political-administrative issues of local governments are more prepared to make careful decisions. The level of competence is measured by questions in the representatives survey about respondents' family background, academic qualifications, special political training and previous political, administrative and civil society experience.

Variable name	Competence of representatives
Definition	The concept of the competence of representatives refers to the political and administrative education, skills, training, and experience of the elected local government officials.
Expected direct effects on performances	policy-making
Expected effects on intervening variables	
The variable influenced by	Municipality size, socioeconomic development of the municipality
Measures	Questions about the respondent's family background, academic qualifications, special political training and previous political, administrative and civil society experience
Data source	Local representatives survey

2.4. Characteristics of the municipality

2.4.1. Size

The appropriate size of local governments has been the subject of long debates in countries facing public administration reform. This practical problem has inspired an important body of theoretical and empirical research, which suggests several possible relationships between **municipality size** and local government performance.

The most conventional argument points at the existence of *economies of scale*. In larger units, more institutional services are available (since there is a threshold for the provision of services) and services are more efficient (since there is a negative relationship between the amount and the unit cost of production). Providing more and better services satisfies citizens more and better. Increasing size is expected in this perspective to imply higher *responsiveness*. An efficient service provision also bolsters the chance of *implementing* policies. In grater municipalities, the *administrative staff* also tends to be *larger and more competent*. A large and professional administration improves effectiveness, as it is elaborated on earlier.

The opposite approach argues that smaller political systems are more *responsive*. Even if the production of services is cheaper in larger units, their provision provides more satisfaction for people in smaller communities. In small places, the congruence between the preferences of citizens and their representatives is better because both the *voter-leader ratio* (representatives are physically closer to their voters) and the complexity of issues is lower.

Another intervening variable is *heterogeneity*. While majority preferences are more likely to be dominant in smaller communities, larger units are more heterogeneous and local politicians are more constrained to take minority preferences into account. This decreases the chance of achieving legitimate agreements.

Political participation is also affected by municipality size, although the direction of the effect is unclear. Greater local units control more aspects of citizens' lives; they, therefore, have more incentives to participate. Furthermore, collective and more effective forms of political participation (*political parties with more organizational capacity*) are more likely to be organized in larger communities. *Local civil society* and *media* also tend to be larger in bigger municipalities, which are conducive to the responsiveness and democracy of the local government. In smaller units, nonetheless, citizens are more aware of the fact that bureaucracies can be controlled and, hence, that their personal responsibility is higher. The

lower complexity also contributes to citizens' relative competence, i.e. *sophistication*. Thus, participation is expected to be stronger and more frequent in smaller municipalities (though not through formal organizations).

Variable name	Municipality size
Definition	Municipality size is the number of inhabitants living permanently in the municipality.
Expected direct effects on performances	Responsiveness, policy-formulation and implementation
Expected effects on intervening variables	The size of the administrative staff, heterogeneity, voter-leader ratio, preference congruence, political sophistication, the size of local civil society and media, the organizational capacity of political parties
The variable influenced by	
Measures	The number of inhabitants living permanently in the municipality
Data source	Official statistics

2.4.2. Socioeconomic development

The largest school of empirical democratic research has up to now been modernization theory. The basic tenet of this perspective is that an overall transformation, in which economic, social, and political changes (e.g. industrialization, urbanization, migration, and democratization) coherently go together, is the master process of our age. This transformation is basically the same everywhere and occurs through evolutionary stages. Consequently, societies can be placed on a development scale and their futures can, to some degree, be predicted. Empirically, the evidence to which the proponents of this approach most frequently refer is a high and significant correlation between the level of democracy and the level of socioeconomic development.

The research on the relationship between **socioeconomic development** and the degree of democracy has brought some variables to the forefront. Development is typically measured by economic development, educational level, urbanization, geographic and social mobility, industrial production, and health care. Not all of these indicators can usefully be interpreted in the case of East Central European *local* communities in the 1990s. The level of urbanization does not make sense concerning localities and the rate of mobility does not express much in a within-country comparison at the end of the 20th century. There are three

relevant measures which can be used in local governments: economic development, infant mortality and the level of education. The level of economic development is measured as the income of both local firms and citizens. To measure the degree of adaptation to new challenges, internet consumption is added as a fourth indicator of socioeconomic development.

To explain the well-established correlation between the levels of democratic and economic developments, students of empirical democratic theory attempted to identify specific causal mechanisms and theoretically explain the correlation between several intervening variables. Although these theories have frequently been criticized for the poverty of convincing specification of causality, their explanations suggest some testable hypotheses for our research design.

Higher levels of education, the wealth that makes it easier to resolve conflicts over the distribution of income, and a wider middle class strengthen tolerance, moderation and the avoidance of extremism. This is what this project calls *civiness* and theorizes as an intervening variable with large effects on local government performance.

Economic and social development leads to the expansion of newspapers, radio, and TV, i.e. a wider *local media*. The increasing media exposure makes people more interested in politics, and more familiar with political phenomena. More *sophisticated citizens*, then, take part in democratic policy-making; in the form of electoral turnout, deeper commitment to political activities within and outside formal political organizations. Sophistication, civiness, and media are in a mutually supportive relationship with the size of *civil society*. Consequently, political sophistication and the size of the media and civil society are also influenced by socioeconomic development.

Variable name	Socioeconomic development
Definition	Socioeconomic development refers to the state of economic growth and social structure.
Expected direct effects on performances	
Expected effects on intervening variables	Political sophistication, civiness, the size of civil society and media, political participation, total income of the local government
The variable influenced by	
Measures	The average yearly income of individuals The total income of local firms per inhabitant Infant mortality per 1000 births The percentage of university graduates
Data source	Official statistics

2.4.3. Inequalities

Inequality is defined as the degree to which income or wealth is unevenly distributed among individuals. Economic and social resources can easily be transformed into political resources. If these resources are extremely unevenly distributed, certain individuals or groups have greater opportunities to assert their claims. This leads to extensive hierarchies of patron-client relationships, distorting the democratic nature of *political participation*, *local media* and *civil society*. In addition, the perception of inequality decreases the *sense of community* and *civicness* among local people. This also has a negative impact on local government performance.

Objective inequalities, however, do not necessarily harm democracy. If a government can detect and respond to inequalities, it may even gain allegiance. If, on the other hand, people do not recognize inequalities or regard them as legitimate (a problem of culture and socialization) or do not articulate them in the political sphere, objective inequalities do not become political problems. Furthermore, different social strata have different sensitivities to inequality in different situations. This is the reason why the perception of inequalities is also surveyed.

Inequality is assessed by the ratio between the number of people in the highest income category and those in the lowest. The subjective inequality, i.e. the tensions and frustrations caused by the perception of objective inequality as illegitimate is measured by questions on the mass survey.

Variable name	Social inequalities
Definition	Inequality is the degree to which income or wealth is unevenly distributed among individuals.
Expected direct effects on performances	
Expected effects on intervening variables	Civicness, the size of civil society and media, political participation, sense of community
The variable influenced by	
Measures	The ratio between the number of people in the highest income category and those in the lowest Questions about perceived inequalities
Data source	Official statistics and citizen survey

The way in which local society is organized influences political life. Vertical political clientelism hinders, while horizontal cooperation facilitates collective action, which, in turn, is conducive to good local government performance. The **patron-**

client relationships in local society are deeply undemocratic, decreasing the chance of democratic local government performance. There is an inverse and mutual relationship between vertical social dependence, on the one hand, and horizontal cooperation in civil society organizations and political cooperation in participation, on the other hand.

Variable name	The patron-client relationships in local society
Definition	The patron-client relationships in local society refer to the vertical organization of local society, which involves personal dependence between ordinary and influential people.
Expected direct effects on performances	Policy-making (-) and implementation(-), democracy (-)
Expected effects on intervening variables	Civiness of the representatives, the size of civil society, political participation, the sense of community
The variable influenced by	The size of civil society, political participation
Measures	Attitude questions about the importance of influential people in life success
Data source	Citizen survey

2.4.4. Heterogeneity and cleavages

Heterogeneity is the extent to which the population of a community is composed of different groups. The more divided a population, the less homogeneous it is. Heterogeneity increases the difficulty of finding social and political coalitions that can form a majority backing specific policies. Homogeneity, on the contrary, tends to enhance cooperation among stakeholders, which is crucial to the achievement of legitimate agreements, i.e. successful *policy-making*. A more homogeneous public can also be satisfied more easily. Local government *responsiveness* is likely to be better in a more homogenous community. The local government can be fair and just, i.e. *democratic*, in a more homogenous environment.

Heterogeneity or fragmentation is operationalized as the probability that two randomly selected individuals will belong to different groups. The index ranges between 0 (total homogeneity) and 1 (complete heterogeneity). The measures include ethnic, religious, political, territorial, and sector distributions.

Variable name	Heterogeneity
Definition	Heterogeneity is the extent to which the population of a community is composed of different groups.
Expected direct effects on performances	Policy-making (-) and implementation(-), democracy (-)
Expected effects on intervening variables	The sense of community
The variable influenced by	Municipality size
Measures	The fragmentation of the population with respect to ethnicity The fragmentation of the population regarding denominations The fragmentation of the population in its voting for party lists during general elections The fragmentation of the population between people living in housing estates, outer areas, the center, and the green belts The division of the population between people living in geographically or historically separated quarters The division of the population between people working in the public and the private sector
Data source	Official statistics

Cleavages in local society are demarcation lines between societal segments. People belonging to a segment live their lives within the segment's cultural and political institutions. Cleavages are difficult to reverse. Sharp divides between religiously or ethnically defined segments often yield hostile conflicts and an inability to cooperate. The potential outcome of both high heterogeneity and sharp cleavages is a high level of social conflict, which can spill over into politics. The lack of cooperation among elite and citizen groups tends to decrease the effectiveness of local government policy-making and implementation. This variable interacts with many other variables and makes their effect on local government performance negative. For example, civil society is usually beneficial to local democracy and local government performance. In the presence of deep cleavages, as the example of Northern Ireland demonstrates, parallel civil societies are the sources of mutual hostility, distrust, uncivicness – and serious and permanent problems with democracy, responsiveness, decision-making and implementation.

Variable name	Cleavages
Definition	Cleavages are sharp socio-cultural lines between large segments of local society.
Expected direct effects on performances	Policy-making, implementation, democracy
Expected effects on intervening variables	Civicness, the size of civil society, political participation, the sense of belonging to the local community
The variable influenced by	The sense of belonging to the local community
Measures	Attitude questions
Data source	Citizen survey

2.4.5. History and Administrative Status

Historic events often create specific community and political cultures. There are **types** of settlements that can be taken into consideration (e.g. new cities having emerged from pre-communist or communist-led industrialization, older bourgeois towns, suburban settlements, etc.). Different histories may produce different local societies with differing local government performance.

Variable name	Historical types
Definition	The concept of historical types refers to the classification of municipalities according to their historical path.
Expected direct effects on performances	
Expected effects on intervening variables	The sense of community, representatives' and citizens' political culture
The variable influenced by	
Measures	A typology of municipality history
Data source	Historical data

The **age of the community** may have an effect on the sense of community. The older the community, the stronger is the sense of belonging within it. The age of the municipality is measured by the elapsed time from when it first formed an administrative unit, and the changes in population size in the last 50 years.

Variable name	Age of the community
Definition	The age of the community is the time passed since the formation of the local society.
Expected direct effects on performances	
Expected effects on intervening variables	The sense of community
The variable influenced by	
Measures	The time since the territory formed an administrative unit; changes in the number of inhabitants in the last 50 years
Data source	Historical data

In some countries, the **administrative category** of the municipality determines its opportunities. The administrative category forms a variable (capital, city with special rights, city, town, village etc.). Empirical research should clarify the importance of this variable. The source of the data is simply the official categorization of public administration.

Variable name	Administrative status
Definition	The administrative status is the official categorization of the municipality.
Expected direct effects on performances	
Expected effects on intervening variables	Dependence on state resources, leader/voter ratio
The variable influenced by	
Measures	Category of the municipality
Data source	Official data

2.4.6. Geography

Geography may influence local political and social life in various ways. The **country** in which the local government can be found is obviously an important variable. **Regionalism** is also substantial in most East Central European countries. These geographic units have different historical experiences and social histories, which may result in different political cultures and socio-economic structures. The

user-friendliness and intuitive importance of these variables encourage their inclusion in the research project.

Variable name	Position in a larger geographical unit
Definition	Position in a larger geographical unit refers to the country and region in which the municipality can be found.
Expected direct effects on performances	
Expected effects on intervening variables	Representatives' and citizens' political culture
The variable influenced by	
Measures	The position of the municipality in a larger geographical unit
Data source	Official data

Municipalities closer to more democratic regions have more frequent economic and cultural contacts with democracies and develop democratic values. **Distance from the Western democracies** may have an effect on the diffusion of political ideas and administrative methods. The closeness to the older democracies is hypothesised to promote *tolerance* and *participatory values* among citizens as well as politicians. Closeness might also help to adopt the latest ideas of effective town management. Finally, more frequent contacts with the West may urge citizens and their representatives to catch up with the attractive life of Western localities. The variable is measured by the distance of the municipality from the capital of the closest Western democracy.

Variable name	Distance from the Western democracies
Definition	The variable refers to the closeness of the municipality to the Western democracies.
Expected direct effects on performances	
Expected effects on intervening variables	Representatives' and citizens' political culture
The variable influenced by	
Measures	The distance of the municipality from the capital of the closest Western democracy
Data source	Map

Distance from the capital or other big city often has significance: the closer the city, the easier is the access to new ideas, but the more limited local autonomy is likely to be. The quick diffusion of innovations from the city with academic institutions and a wider intellectual stratum further the effectiveness of the local government. Distance is measured simply on the map. **Dependence on a neighbouring city**, on the other hand, has a negative impact on *responsiveness* because local decision-makers have to take too many external interests into account. This distracts the attention of local political leaders from the demands of local citizens. Dependence also limits the municipality's room to manoeuvre in setting and implementing goals, which hinders *policy-making and implementation*. Dependence on a neighbouring city is indicated by the number of commuters.

Variable name	Dependence on a larger municipality
Definition	Dependence on a larger municipality is the extent to which the opportunities of the municipality relies on the situation in another municipality.
Expected direct effects on performances	Responsiveness, policy-making and implementation
Expected effects on intervening variables	
The variable influenced by	Municipality size
Measures	The distance of the municipality from the nearest city The number of commuters to the neighboring city
Data source	Map, citizen survey

PART II

THE LOCAL DEMOCRACY REPORTS SUBPROJECT

Part I of this paper conceptualized several variables that may influence the political performance of local governments. The Indicators of Local Democratic Governance project, however, has other goals as well: the establishment of a database available to experts with different backgrounds and the regular publication of country reports to characterize the state of local democracy in Central and Eastern Europe. Part II proposes an outline for country reports, based on a grouped list of indicators

The aim of the report is to characterize local governments and local democracy in the region. A set of indicators (indices) serves as a tool with which to profile the countries' local governance. This report is primarily a political analysis concentrating on the political performance of local governments, their relationship with the environment, and the state of local civil society (media and NGOs). Its main focus, consequently, is on the situation at the local level and not on the relationship between different tiers of public administration (which does not exclude some general indicators on the legal-institutional situation). This first report is more static, however subsequent reports published annually will also cover the progress made by the surveyed countries.

Country reports consist of five sections. Each section discusses a group of indicators that feature an important dimension of local governance. All the indicators are presented in an aggregated format to characterize the whole country in a comparable way. Frequency tables by background variables help the analysis on a sub-national level. Indicator data is always broken down into five background variables:

- size of the municipality (understood as the number of inhabitants);
- geographical position (region, distance from the capital and the country's Western border);
- legal status of the local government (village, town, city with county rights, capital district, etc.);
- the heterogeneity of local society (social, ethnic and religious divisions);
- the level of socio-economic development (composed of statistical data).

Some indicators in the country reports have an official source (statistics, administrative data, etc.). In most cases, the presented data was gathered by a four-country survey organized within the framework of the project. Nonetheless, the inter-

pretation of survey results is always based on additional data and research from other, "external" sources. Most indicators are composed of several measures.

The structure of country reports differ from that of the research project outlined in Part I, since the goal of reports also differs from that of the local government performance sub-project. While the LGP subproject is an explanation-centered research agenda, country reports provide an evaluative description of the current conditions of local democracy, largely based on new and original data.

The following chapters are planned in country reports.

I. Central-Local Relationship

This section is the only one that deals with the relationship between central and local governments. Two indicators characterize the degree to which powers and resources are transferred to local governments. Not only is the level of local autonomy important, however, but also the mechanisms through which the proper use of jurisdictions and money is guaranteed by horizontal accountability to other institutions. Two other indicators assess accountability. The four indicators belonging to this section require the expertise of report writers and the methodology of their measurement will be imported from other sources.

- Legal decentralization (jurisdictions devolved)
- Fiscal decentralization (resources distributed)
- Financial accountability (mechanisms of answerability and enforcement in financial matters)
- Legal and administrative accountability (mechanisms of answerability and enforcement in legal matters)

II. Administrative Features of Local Governments

This section deals with the administrative capacity of local government and the place of the administration staff within the institution. Two indicators characterize the capacity of local administration in terms of sheer number and the quality of its workforce (measured by education). Another indicator assesses the strength of the accountability of staff to the elected politicians (mayor and council) and the accountability of the mayor to the council (or its board). The fourth indicator gauges the formal and informal distribution of power among the main institutional players (council, mayor, and administration), measured by the centralization of powers in the hands of these actors.

- Quality of the administrative staff
- Size of the administrative staff
- Accountability mechanisms within local government
- Power distribution within local governments

III. Political Performance of Local Governments

This section concentrates on the capability of local governments to perform their duties. The four indices used here feature four aspects of local government performance. The indicator of decisional performance measures the capability of local governments to set community goals and formulate policies. The indicator of implementation performance assesses the capability of local governments to effectively reach their policy objectives. The third indicator focuses on the institutional capability to respond to local people's demands and satisfy citizens. The indicator of democratic performance focuses on the capability of local governments to operate in an open and transparent way and treat citizens in a fair and just manner. The local government survey organized within the project is the source of all four indicators.

- Decisional performance
- Implementation performance (effectiveness)
- Responsiveness
- Democratic performance

IV. Characteristics of Local Representatives

This section characterizes local decision-makers by means of seven indicators. The first three focus on representatives' socio-demography: their belonging to religious or ethnic minorities, their social status (as a measure of micro-social representation) and their membership in local civic groups. The fourth indicator also deals with personal characteristics, but is more political: it assesses the political experiences accumulated by and in local politicians. The indicator of civic culture assesses the level of trust and tolerance among representatives. The next indicator measures the rotation in the composition of the representative body. The last two indicators present the degree to which local representatives belong to political organizations: party membership and membership in council groups.

- Ethnic and religious distribution of local representatives
- Social distribution of local representatives

- Representatives' embeddedness in local society
- Political experience of local representatives
- Civic culture of representatives
- Stability of local representatives
- Party composition of local government bodies
- Fragmentation of the representative bodies - factions and majority

V. Local Civil Society Organizations

The characterization of the social and political milieu of local governments begins with this section, focusing on locally active NGOs. The relative number of local NGOs (compared to the size of the population) is the first and most important indicator in this section. The second indicator features the balanced or unbalanced nature of local civil sector, by measuring the relative shares of local NGOs in terms of financial, organizational and mobilization capacity. The number of political activities organized by NGOs, the next indicator, gauges the extent to which local civil organizations are capable of holding local governments accountable. As political parties form the link between civil society and government, the measure of the strength of local political organizations is also discussed here.

- Density of local NGOs
- Size distribution of local NGOs
- The political activity of local NGOs
- Strength of local political organizations

VI. Local Media

Although the media is a part of civil society, its importance and specificity explains why it is treated in a separate section. The first indicator focuses on the size of local media, measured by the total audience reached by local media outlets. The second indicator adds the information about the number of locally available media sources that are independent of each other. The total coverage of local media outlets is the next indicator. Finally, the measure of the capacity of the local media in terms of the number of journalists is presented.

- Size of local media
- Diversity of local media
- Local coverage of media
- Organizational capacity of local media

VII. Local Political Culture and Participation

This section aims to grasp citizens' political attitudes and behavior. The first two indicators assess the level of local political participation. Its most easily quantifiable and most common indicator is the turnout at local elections. Our surveys also try to gauge the institutionalized and non-institutionalized (grass-root) political activities (demonstrations, petitions, etc.) at the local level. The other four indicators focus on local political culture. One indicator is intended to assess the level of citizens' political knowledge on their local governments. Another one measures the degree to which citizens accept civic values and norms such as the accommodation of difference, tolerance, willingness to compromise, and trust. The indicator of legitimacy concentrates on the degree to which citizens see the institutions of democracy and the local government system as justifiable. The last indicator assesses the strength of common local identity, which emotionally binds local people to their community.

- Local election turnout
- Citizen participation in local politics
- Citizens' political sophistication
- Civic culture
- Legitimacy of the system
- Localism (the sense of belonging)

Appendices

All country reports are followed by four appendices, which provide basic information on the country's local government system, the available sources in local government studies, and the technical data of the surveys (sample, methodology and the questionnaire).

- Appendix A: Information sheet on the local government system of the country
- Appendix B: Information sources in the country
- Appendix C: Sampled municipalities and survey methodology
- Appendix D: The questionnaire in the national language

In a book format, some of the appendices (e.g. the translations of the core questionnaire) are unnecessary. The expected length of each country report is 80,000-100,000 characters.

Books published by LGI

- Dimitrijević, Nenad, ed. 2000. *Managing Multiethnic Local Communities in the Countries of the Former Yugoslavia*. Budapest: LGI.
- Guidebook to Proposal Writing in CEE and the Former Soviet Union '99*. Please specify English or Russian version.
- Horváth, Tamás M., ed. 2000. *Comparative Papers, Volume 1, Decentralization, Experiments and Reforms*. Budapest: LGI.
- Kimball, Jonathan D., ed. 1999. *The Transfer of Power: Decentralization in Central and Eastern Europe*. Budapest: LGI.
- Mlinar, Zdravko, ed. 2000. *Local Development and Socio-spatial Organization*. Budapest: LGI.
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- Kovács, Petra; Bíró Annamária, eds., 2000. *Diversity in Action. Local Public Management of Multi-Ethnic Communities in Central and Eastern Europe*. Budapest: LGI.

Studies

European Union Enlargement and the Open Society Agenda. Local Government and Public Administration. Budapest: LGI.

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The Indicators of Democratic Local Governance project has been initiated within the framework of the Fiscal Decentralization Initiative (FDI). FDI is a consortium of major international organizations established with a mission to assist transition economies implementing intergovernmental reform. The project entitled Indicators for Decentralization in CEE and fSU is one of the major endeavors of FDI that aims to establish a uniform framework for comparative local government analysis. The main goal of the project is to develop a set of operational, flexible, and adaptable indicators based on internationally recognized definitions and to publish reports measuring the process of decentralization in the target countries. The project has two arms: the Fiscal Design Across Levels of Government project, managed by the OECD and the Indicators of Democratic Local Governance project, managed by LGI.

To design the conceptual framework of Indicators of Democratic Local Governance and carry out pilot research, LGI established a partnership with Tocqueville Research Center (T-RC), Budapest.



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